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SPRINGFIELD, IL – State Senator Tony Munoz (D-Chicago) commended the Governor's signing of Senate Bill 400 into law today. This measure will increase both the earned income tax credit and the personal exemption on Illinois' income tax returns.

"This new law will help to put more money back into the pockets of the hard-working men and women of Illinois," stated Senator Munoz, a member of the Senate Executive Committee. "This change in the law is necessary to help taxpayers because the earned income tax credit has not been increased since it was created ten years ago."

The earned income tax credit will increase from five percent to seven and a half percent in 2012. It will then be increased again in 2013 from seven and a half percent to thirteen percent.

Under the personal exemption of the Illinois Income Tax code, the increase will go from \$2,000 to \$2,050 in 2012. After 2012, the personal exemption will raise with the cost of inflation in following years. While this portion of the bill provides limited relief initially, that relief increases each year and over time, will be significant. In 2009, there were 935,751 families in Illinois that claimed the earned income tax credit.

"During these tough economic times it is important to do all we can to help the working families of Illinois," Senator Munoz stated. "These changes in the tax code will ensure people will be able to get more money back on their tax returns."